

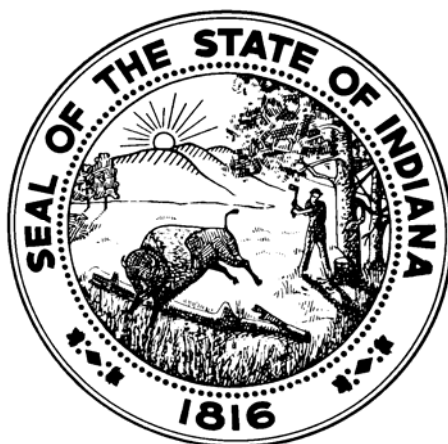
**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765**

ANNUAL FINANCIAL REPORT

2005

CITY OF VINCENNES

KNOX COUNTY, INDIANA



FILED
09/22/2006

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Beverly S. Marsh	01-01-04 to 12-31-07
Mayor	Terry D. Mooney	01-01-04 to 12-31-07
President of the Board of Public Works and Safety	Terry D. Mooney	01-01-05 to 12-31-06
President of the Common Council	Mark R. Hill	01-01-05 to 12-31-06
Superintendent of Utilities	Kirk Bouchie	01-01-05 to 12-31-06
Chairman of the Utility Service Board	Gary Hackney William Hopper	01-01-05 to 12-31-05 01-01-06 to 12-31-06



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CITY OF VINCENNES, KNOX COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Vincennes (City), as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note I, the City prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2005, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

The Schedules of Funding Progress, Schedule of Contributions From the Employer and Other Contributing Entities as listed in the table of contents, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

INDEPENDENT AUDITOR'S REPORT
(Continued)

The City has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City's basic financial statements. The Combining Schedules, as listed in the table of contents, Schedule of Capital Assets, and Schedule of Long-term Debt are presented for additional analysis and are not a required part of the basic financial statements. The Combining Schedules, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

August 1, 2006

CITY OF VINCENNES
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2005

Functions/Programs	Program Receipts				Net (Disbursement) Receipt and Changes in Net Assets		
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 1,870,405	\$ 429,051	\$ 639,237	\$ 1,146,847	\$ 344,730	\$ -	\$ 344,730
Public safety	7,119,998	45,816	508,616	112,439	(6,453,127)	-	(6,453,127)
Highways and streets	1,598,372	-	785,954	-	(812,418)	-	(812,418)
Sanitation	385,711	185,645	-	10,000	(190,066)	-	(190,066)
Health and welfare	401,190	-	-	-	(401,190)	-	(401,190)
Culture and recreation	360,563	81,897	92,536	-	(186,130)	-	(186,130)
Economic development	1,392,529	-	-	18,000	(1,374,529)	-	(1,374,529)
Urban redevelopment and housing	50,000	-	-	-	(50,000)	-	(50,000)
Total governmental activities	13,178,768	742,409	2,026,343	1,287,286	(9,122,730)	-	(9,122,730)
Business-type activities:							
Water	3,445,433	2,363,812	-	5,263	-	(1,076,358)	(1,076,358)
Wastewater	5,464,930	4,379,152	-	46,796	-	(1,038,982)	(1,038,982)
Total business-type activities	8,910,363	6,742,964	-	52,059	-	(2,115,340)	(2,115,340)
Total primary government	\$ 22,089,131	\$ 7,485,373	\$ 2,026,343	\$ 1,339,345	(9,122,730)	(2,115,340)	(11,238,070)
General receipts:							
Property taxes					11,436,316	-	11,436,316
Other local sources					784,947	6,344	791,291
Bonds and loans					2,850,000	-	2,850,000
Miscellaneous					13,700	-	13,700
Unrestricted investment earnings					154,227	303,535	457,762
Total general receipts, special items, and transfers					15,239,190	309,879	15,549,069
Change in net assets					6,116,460	(1,805,461)	4,310,999
Net assets - beginning					2,786,636	10,709,591	13,496,227
Net assets - ending					\$ 8,903,096	\$ 8,904,130	\$ 17,807,226
<u>Assets</u>							
Cash and investments					\$ 1,935,214	\$ 3,053,836	\$ 4,989,050
Restricted assets:							
Cash and investments					6,967,882	5,850,294	12,818,176
Total assets					\$ 8,903,096	\$ 8,904,130	\$ 17,807,226
<u>Net Assets</u>							
Restricted for:							
Culture and recreation					\$ 165,702	\$ -	\$ 165,702
Highways and streets					643,790	-	643,790
Economic development					2,418,952	-	2,418,952
Public safety					1,431,077	-	1,431,077
Sanitation					84,141	-	84,141
Health and welfare					869,113	-	869,113
Debt service					343,600	1,032,237	1,375,837
Other purposes					1,011,507	4,818,057	5,829,564
Unrestricted					1,935,214	3,053,836	4,989,050
Total net assets					\$ 8,903,096	\$ 8,904,130	\$ 17,807,226

The notes to the financial statements are an integral part of this statement.

CITY OF VINCENNES
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2005

	General	CEDIT	TIF	Fire Department	Other Governmental Funds	Totals
Receipts:						
Taxes	\$ 4,724,555	\$ -	\$ 1,261,993	\$ 3,290,017	\$ 2,159,751	\$ 11,436,316
Licenses and permits	77,316	-	-	-	2,275	79,591
Intergovernmental	1,214,552	1,016,974	-	399,041	1,304,810	3,935,377
Charges for services	98,553	-	-	-	564,265	662,818
Other	117,618	-	23,493	-	180,583	321,694
Total receipts	6,232,594	1,016,974	1,285,486	3,689,058	4,211,684	16,435,796
Disbursements:						
General government	1,743,983	-	-	-	123,349	1,867,332
Public safety	3,215,957	-	-	3,524,342	206,479	6,946,778
Highways and streets	-	-	-	-	1,427,952	1,427,952
Sanitation	240,196	-	-	-	145,515	385,711
Health and welfare	157,611	-	-	-	243,579	401,190
Culture and recreation	-	-	-	-	351,780	351,780
Economic development	-	331,763	1,004,178	-	56,588	1,392,529
Urban redevelopment and housing	-	-	-	-	50,000	50,000
Debt service:						
Principal	2,634	-	-	-	252,481	255,115
Interest	439	-	-	-	30,799	31,238
Capital outlay:						
Highways and streets	-	-	-	-	69,143	69,143
Total disbursements	5,360,820	331,763	1,004,178	3,524,342	2,957,665	13,178,768
Excess of receipts over disbursements	871,774	685,211	281,308	164,716	1,254,019	3,257,028
Other financing sources (uses)						
Loan proceeds	1,250,000	-	-	1,300,000	300,000	2,850,000
Interfund loans	-	-	-	-	9,432	9,432
Transfers in	-	-	-	-	25,000	25,000
Transfers out	-	-	-	-	(25,000)	(25,000)
Total other financing sources (uses)	1,250,000	-	-	1,300,000	309,432	2,859,432
Excess of receipts and other financing sources over disbursements and other financing uses	2,121,774	685,211	281,308	1,464,716	1,563,451	6,116,460
Cash and investment fund balance - beginning	(186,560)	579,568	495,567	(82,926)	1,980,987	2,786,636
Cash and investment fund balance - ending	\$ 1,935,214	\$ 1,264,779	\$ 776,875	\$ 1,381,790	\$ 3,544,438	\$ 8,903,096
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ 1,935,214	\$ -	\$ -	\$ -	\$ -	\$ 1,935,214
Restricted assets:						
Cash and investments	-	1,264,779	776,875	1,381,790	3,544,438	6,967,882
Total cash and investment assets - December 31	\$ 1,935,214	\$ 1,264,779	\$ 776,875	\$ 1,381,790	\$ 3,544,438	\$ 8,903,096
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ 165,702	\$ 165,702
Highways and streets	-	-	-	-	643,790	643,790
Economic development	-	1,264,779	776,875	-	377,298	2,418,952
Public safety	-	-	-	1,381,790	49,287	1,431,077
Sanitation	-	-	-	-	84,141	84,141
Health and welfare	-	-	-	-	869,113	869,113
Debt service	-	-	-	-	343,600	343,600
Other purposes	-	-	-	-	1,011,507	1,011,507
Unrestricted	1,935,214	-	-	-	-	1,935,214
Total cash and investment fund balance - December 31	\$ 1,935,214	\$ 1,264,779	\$ 776,875	\$ 1,381,790	\$ 3,544,438	\$ 8,903,096

The notes to the financial statements are an integral part of this statement.

CITY OF VINCENNES
STATEMENT OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUNDS
As of and for the Year Ended December 31, 2005

	Water Utility	Wastewater Utility	Total
Operating receipts:			
Metered water receipts:			
Residential	\$ 2,363,812	\$ -	\$ 2,363,812
Measured revenue:			
Residential	-	4,379,152	4,379,152
Other	-	6,344	6,344
Total operating receipts	<u>2,363,812</u>	<u>4,385,496</u>	<u>6,749,308</u>
Operating disbursements:			
Materials and supplies - cost of goods sold	476,744	1,085,696	1,562,440
Salaries and wages - employee benefits	887,496	1,536,500	2,423,996
Miscellaneous disbursements	<u>82,587</u>	<u>-</u>	<u>82,587</u>
Total operating disbursements	<u>1,446,827</u>	<u>2,622,196</u>	<u>4,069,023</u>
Excess of operating receipts over operating disbursements	<u>916,985</u>	<u>1,763,300</u>	<u>2,680,285</u>
Nonoperating receipts (disbursements):			
Interest and investment receipts	91,175	212,360	303,535
Miscellaneous receipts	-	46,796	46,796
Debt service of principal	(776,614)	(1,350,208)	(2,126,822)
Debt service of interest	(192,089)	(163,402)	(355,491)
Purchase of capital assets	<u>(1,029,903)</u>	<u>(1,329,124)</u>	<u>(2,359,027)</u>
Total nonoperating disbursements	<u>(1,907,431)</u>	<u>(2,583,578)</u>	<u>(4,491,009)</u>
Deficiency of receipts under disbursements and nonoperating disbursements	<u>(990,446)</u>	<u>(820,278)</u>	<u>(1,810,724)</u>
Capital contributions	<u>5,263</u>	<u>-</u>	<u>5,263</u>
Deficiency of receipts, contributions and transfers in under disbursements and transfers out	<u>(985,183)</u>	<u>(820,278)</u>	<u>(1,805,461)</u>
Cash and investment fund balance - beginning	<u>3,494,094</u>	<u>7,215,497</u>	<u>10,709,591</u>
Cash and investment fund balance - ending	<u>\$ 2,508,911</u>	<u>\$ 6,395,219</u>	<u>\$ 8,904,130</u>
<u>Cash and Investment Assets - December 31</u>			
Cash and investments	\$ 1,157,583	\$ 1,896,253	\$ 3,053,836
Restricted assets:			
Cash and investments	<u>1,351,328</u>	<u>4,498,966</u>	<u>5,850,294</u>
Total cash and investment assets - December 31	<u>\$ 2,508,911</u>	<u>\$ 6,395,219</u>	<u>\$ 8,904,130</u>
<u>Cash and Investment Fund Balance - December 31</u>			
Restricted for:			
Debt service	\$ 832,223	\$ 200,014	\$ 1,032,237
Other purposes	519,105	4,298,952	4,818,057
Unrestricted	<u>1,157,583</u>	<u>1,896,253</u>	<u>3,053,836</u>
Total cash and investment fund balance - December 31	<u>\$ 2,508,911</u>	<u>\$ 6,395,219</u>	<u>\$ 8,904,130</u>

The notes to the financial statements are an integral part of this statement.

CITY OF VINCENNES
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For The Year Ended December 31, 2005

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Employer	\$ 798,318	\$ -	\$ -
Plan members	17,933	-	-
State	432,415	-	-
Total contributions	1,248,666	-	-
Investment earnings:			
Interest	-	708	-
Agency fund additions	-	-	5,401,277
Total additions	1,248,666	708	5,401,277
Deductions:			
Benefits	811,252	-	-
Refunds of contributions	573	-	-
Administrative and general	6,119	3,418	-
Agency fund deductions	-	-	5,401,227
Total deductions	817,944	3,418	5,401,227
Excess (deficiency) of total additions over (under) total deductions	430,722	(2,710)	50
Cash and investment fund balance - beginning	528,016	56,474	125
Cash and investment fund balance - ending	\$ 958,738	\$ 53,764	\$ 175

The notes to the financial statements are an integral part of this statement.

CITY OF VINCENNES
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The City was established under the laws of the State of Indiana. The City operates under a Council-Mayor form of government and provides the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, and urban redevelopment and housing.

The City's financial reporting entity is composed of the following:

Primary Government: City of Vincennes
Blended Component Unit: None
Discretely Presented Component Unit: None

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

Related Organizations

The City's officials are also responsible for appointing the members of the boards of other organizations, but the City's accountability for these organizations does not extend beyond making the appointments. The City appoints the board members of the Knox County Area Plan Commission, Vincennes Housing Authority, Knox County Development Corporation, and Southern Indiana Development Corporation. The City supported Knox County Development Corporation with \$286,864.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis display information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

CITY OF VINCENNES
NOTES TO FINANCIAL STATEMENTS
(Continued)

The City reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The county economic development income tax fund (CEDIT) accounts for the City's share of tax monies collected by the county for payment of economic development projects throughout the City.

The tax incremental fund (TIF) accounts for general property tax monies collected in certain districts of the city for highway and street projects within that district.

The fire department fund accounts for the expenses of providing fire protection for the City. The major revenue source for this fund is general property tax dollars.

The City reports the following major proprietary funds:

The water utility fund accounts for the operation of the water distribution system.

The wastewater utility fund accounts for the operation of the wastewater treatment plant, pumping stations and collection systems.

Additionally, the City reports the following fund types:

The pension trust funds account for the activities of the 1925 police and 1937 fire pension funds, which accumulate resources for pension benefit payments.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the individuals named by the grantors.

Agency funds account for assets held by the City as an agent for recipients of payroll withholdings and serve as control of accounts for certain cash transactions during the time they are a liability to the City.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

CITY OF VINCENNES
NOTES TO FINANCIAL STATEMENTS
(Continued)

If the City utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's water and wastewater function and various other functions of the government. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

Enterprise funds distinguish operating receipts and disbursements from nonoperating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating receipts of the enterprise funds are charges to customers for sales and services. Operating disbursements for enterprise funds include the cost of sales and services and administrative costs. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements. Internal service funds are used to account for activities provided to other departments or agencies primarily with the government. The City does not have any internal service funds.

D. Assets and Cash and Investment Balances

1. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as interest receipts in the year of the sale of the investment.

2. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

3. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

4. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

CITY OF VINCENNES
NOTES TO FINANCIAL STATEMENTS
(Continued)

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments or (2) law through constitutional provisions or enabling legislations.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the City's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds).

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

- 1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
- 2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
- 3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

CITY OF VINCENNES
NOTES TO FINANCIAL STATEMENTS
(Continued)

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

On or before August 31, the fiscal officer of the City submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the City receives approval of the Indiana Department of Local Government Finance.

The City's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds; and has a principal office or branch that qualifies to receive public funds of the political subdivision. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

CITY OF VINCENNES
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13. As of December 31, 2005, the City had the following investments:

Investment Type	Primary Government Market Value
Government sponsored enterprise	\$ 8,499,525
U.S. Treasury	25,000
Total	<u>\$ 8,524,525</u>

Investment Policies

Indiana Code 5-13-9 authorizes the City to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the unit to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed fifty percent (50%) of the funds held by the City and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise; or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the City may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the unit's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

CITY OF VINCENNES
NOTES TO FINANCIAL STATEMENTS
(Continued)

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City does not have a formal investment policy for custodial credit risk for investments. At December 31, 2005, the City held investments in a government sponsored enterprise in the amount of \$8,499,525. Of these investments \$8,499,525 were held by the counterparty's trust department or agent but not in the City's name.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City must follow state statute and limit the stated final maturities of the investments to no more than two years.

Investment Type	Investment Maturities (in Years)	
	Less Than 1	More Than 2
Government sponsored enterprise	\$ 8,499,525	\$ -
U.S. Treasury	-	25,000
Totals	<u>\$ 8,499,525</u>	<u>\$ 25,000</u>

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The distribution of securities with credit ratings is summarized below.

Standard and Poor's Rating	Moody's Rating	Government Sponsored Enterprise
AAA	Aaa	<u>\$ 8,499,525</u>

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2005, were as follows:

CITY OF VINCENNES
NOTES TO FINANCIAL STATEMENTS
(Continued)

<u>Transfer From</u>	<u>Transfer To</u>	<u>2005</u>
Other governmental	Other governmental	<u>\$ 25,000</u>

The City typically uses transfers to fund ongoing operating subsidies and to transfer the portion of state-shared revenues from the General Fund to the debt service fund for current-year debt service requirements.

IV. Other Information

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Job Related Injuries

During 1994, the City joined with other governmental entities in the Indiana Public Employer's Plan, Inc., a public entity risk pool currently operating as a common risk management and insurance program for member governmental entities. This risk pool was formed in 1989. The purpose of the risk pool is to provide a medium for the funding and administration of workers compensation claims. The City pays an annual premium to the risk pool for its job related injuries to employees. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event.

B. Conduit Debt Obligation

From time to time, the City has issued Redevelopment Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying notes to the financial statements.

As of December 31, 2005, there were four series of redevelopment bonds outstanding with an aggregate principal amount payable of \$2,220,000.

CITY OF VINCENNES
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Loans Receivable – City of Vincennes Revolving Loan Fund

<u>Date of Loan</u>	<u>Borrower</u>	<u>Purpose</u>	<u>Original Amount</u>	<u>Interest Rate</u>	<u>Balance 12-31-05</u>
08-22-03	Hurricane Ditcher, Inc.	Expansion	\$ 143,415	5%	\$125,528
08-01-03	Vincennes Cub League	Expansion	37,500	5%	32,500
11-30-04	Tolliver Glass Inc.	Expansion	50,000	5%	50,000
06-24-04	City of Vincennes	Expansion	129,876	5%	129,876
09-15-05	Bi-State Authority	Expansion	50,000	5%	50,000

D. Rate Structure – Enterprise Funds

Water Utility

On March 26, 2001, the City Council adopted Ordinance No. 5-2001 to withdraw from the jurisdiction of the Indiana Utility Regulatory Commission. The current rate structure was approved by the Council on March 25, 2002.

Wastewater Utility

The current rate structure was approved by the City Council on March 25, 2002.

E. Pension Plans

1. Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

a. Public Employees' Retirement Fund

Plan Description

The City contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the City authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The report may be obtained by contacting:

CITY OF VINCENNES
NOTES TO FINANCIAL STATEMENTS
(Continued)

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The City's annual pension cost and related information, as provided by the actuary, is presented in this note.

b. 1925 Police Officers' Pension Plan

Plan Description

The City contributes to the 1925 Police Officers' Pension Plan, which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute. The City's annual pension cost and related information as provided by the actuary, is presented in this note.

The use of the pay-as-you-go actuarial cost method by the City results in significant underfunding of the plan. Therefore, the Net Pension Obligation (NPO) is not reflected in the financial statements of the pension trust funds.

c. 1937 Firefighters' Pension Plan

Plan Description

The City contributes to the 1937 Firefighters' Pension Plan, which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-7). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute. The City's annual pension cost and related information, as provided by the actuary, is presented in this note.

CITY OF VINCENNES
NOTES TO FINANCIAL STATEMENTS
(Continued)

The use of the pay-as-you-go actuarial cost method by the City results in significant underfunding of the plan. Therefore, the Net Pension Obligation (NPO) is not reflected in the financial statements of the pension trust funds.

Actuarial Information for the Above Plans

	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension	Water Utility Pension
Annual required contribution	\$ 53,731	\$ 512,100	\$ 1,069,700	\$ 65,822
Interest on net pension obligation	(3,849)	90,400	200,200	1,013
Adjustment to annual required contribution	<u>4,387</u>	<u>(150,900)</u>	<u>(333,900)</u>	<u>(1,154)</u>
Annual pension cost	54,269	451,600	936,000	65,681
Contributions made	<u>52,626</u>	<u>515,331</u>	<u>714,828</u>	<u>63,625</u>
Increase (decrease) in net pension obligation	1,643	(63,731)	221,172	2,056
Net pension obligation, beginning of year	<u>(53,096)</u>	<u>1,339,821</u>	<u>2,965,463</u>	<u>13,967</u>
Net pension obligation, end of year	<u>\$ (51,453)</u>	<u>\$ 1,276,090</u>	<u>\$ 3,186,635</u>	<u>\$ 16,023</u>
	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension	Water Utility PERF
Contribution rates:				
City	3%	840%	351%	6.50%
Plan members	3%	6%	6%	3%
Actuarial valuation date	07-01-05	01-01-03	01-01-03	07-01-05
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Amortization method	Level	Level	Level	Level
	percentage of projected payroll, closed	percentage of projected payroll, closed	percentage of projected payroll, closed	percentage of projected payroll, closed
Amortization period	40 years	30 years	30 years	40 years
Amortization period (from date)	07-01-97	01-01-05	01-01-05	07-01-97
Asset valuation method	75% of expected Actuarial value plus 25% of market value	4 year phase in of unrealized and realized capital	4 year phase in of unrealized and realized capital	75% of expected Actuarial value plus 25% of market value

CITY OF VINCENNES
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Assumptions	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension	Water Utility PERF
Investment rate of return	7.25%	6%	6%	7.25%
Projected future salary increases:				
Total	5%	4%	4%	5%
Attributed to inflation	4%	4%	4%	4%
Attributed to merit/seniority	1%	0%	0%	1%
Cost-of-living adjustments	2%	2.75/4%*	2.75/4%*	2%

*2.75% converted members; 4% nonconverted members

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-03	\$ 56,117	85%	\$ (33,830)
	06-30-04	35,191	155%	(53,096)
	06-30-05	54,269	150%	(51,453)
1925 Police Officers' Pension Plan	12-31-01	477,100	61%	1,363,075
	12-31-02	415,500	106%	1,339,821
	12-31-03	451,600	114%	1,276,090
1937 Firefighters' Pension Plan	12-31-01	899,100	55%	2,839,221
	12-31-02	880,900	86%	2,965,463
	12-31-03	936,000	76%	3,186,635
Water Utility PERF	06-30-03	64,115	72%	13,067
	06-30-04	58,519	98%	13,967
	06-30-05	65,681	109%	16,023

Membership in the 1925 Police Officers' Pension Plan and the 1937 Firefighters' Pension Plan at January 1, 2005, was comprised of the following:

	1925 Police Officers' Pension	1937 Firefighters' Pension
Retires and beneficiaries currently receiving benefits	34	32
Current active employees	3	6

CITY OF VINCENNES
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The City contributes to the 1977 Police Officers' and Firefighters' Pension and Disability Fund, a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Employees' Retirement Plan (PERF) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting and requirements for contributions by employers and by employees. Covered employees may retire at age 55 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 55. The plan also provides for death and disability benefits.

PERF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Costs

Plan members are required to contribute 6% of the first-class police officers' and firefighters' salary and the City is to contribute at an actuarially determined rate. The current rate, which has not changed since the inception of the plan, is 21% of the first-class police officers' and firefighters' salary. The contribution requirements of plan members and the City are established by the Board of Trustees of PERF. The City's contributions to the plan for the years ending December 31, 2005, 2004, and 2003 were \$422,894, \$412,571, and \$379,694, respectively, equal to the required contributions for each year.

CITY OF VINCENNES
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund - City of Vincennes

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-03	\$ 1,558,734	\$ 1,251,652	\$ 307,082	125%	\$ 1,385,685	22%
07-01-04	1,561,671	1,370,441	191,230	114%	1,548,886	12%
07-01-05	1,602,759	1,399,392	203,367	115%	1,572,110	13%

Public Employees' Retirement Fund - City of Vincennes Water Department

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-03	\$ 1,124,390	\$ 1,489,066	\$ (364,676)	76%	\$ 771,902	(47%)
07-01-04	1,141,048	1,478,411	(337,363)	77%	912,814	(37%)
07-01-05	1,194,460	1,441,131	(246,671)	83%	731,973	(34%)

1925 Police Officers' Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-99	\$ 233,509	\$ 5,037,300	\$ (4,803,791)	5%	\$ 78,300	(6,135%)
01-01-00	240,020	4,944,200	(4,704,180)	5%	52,200	(9,012%)
01-01-01	162,866	5,016,900	(4,854,034)	3%	54,600	(8,890%)
01-01-02	247,868	4,363,500	(4,115,632)	6%	54,600	(7,538%)
01-01-03	396,064	4,518,500	(4,122,436)	9%	57,800	(7,132%)
01-01-04	187,791	4,662,100	(4,474,309)	4%	61,000	(7,335%)

1937 Firefighters' Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-99	\$ 202,301	\$ 9,309,300	\$ (9,106,999)	2%	\$ 287,100	(3,172%)
01-01-00	243,886	9,193,700	(8,949,814)	3%	287,100	(3,117%)
01-01-01	291,245	9,087,100	(8,795,855)	3%	287,100	(3,064%)
01-01-02	319,231	8,823,400	(8,504,169)	4%	300,000	(2,835%)
01-01-03	630,893	8,786,700	(8,155,807)	7%	309,000	(2,639%)
01-01-04	340,226	9,103,900	(8,763,674)	4%	304,800	(2,875%)

CITY OF VINCENNES
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF CONTRIBUTIONS FROM THE
EMPLOYER AND OTHER CONTRIBUTING ENTITIES

<u>1925 Police Officers' Pension Plan</u>			
	<u>Year</u>	<u>Annual</u>	<u>Percentage</u>
	<u>Ending</u>	<u>Required</u>	<u>Of ARC</u>
		<u>(ARC)</u>	<u>Contributed</u>
1925 Police Officers' Pension Plan	12-31-98	\$ 690,700	65%
	12-31-99	497,100	69%
	12-31-00	495,800	47%
	12-31-01	520,200	56%
	12-31-02	470,900	93%
	12-31-03	512,100	101%
<u>1937 Firefighters' Pension Plan</u>			
1937 Firefighters' Pension Plan	12-31-98	\$ 1,155,300	55%
	12-31-99	954,600	60%
	12-31-00	969,600	54%
	12-31-01	988,200	50%
	12-31-02	996,200	76%
	12-31-03	1,069,700	67%

CITY OF VINCENNES
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For The Year Ended December 31, 2005

	Motor Vehicle Highway	Local Road and Street	Parks and Recreation	Law Enforcement Continuing Education	Riverboat Fund	Rainy Day Fund	Cumulative Capital Improvement
Receipts:							
Taxes	\$ 1,024,794	\$ -	\$ 492,186	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	1,770	-	-	-
Intergovernmental	681,159	80,546	62,911	-	117,924	-	75,810
Charges for services	-	-	41,638	4,911	-	-	-
Other	2,729	8,379	3,778	-	-	-	-
Total receipts	1,708,682	88,925	600,513	6,681	117,924	-	75,810
Disbursements:							
General government	-	-	-	-	2,113	-	-
Public safety	-	-	-	5,593	-	-	-
Highways and streets	1,352,934	75,018	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	310,504	-	-	-	-
Economic development	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	89,334	-	7,891	-	-	-	-
Interest	11,943	-	892	-	-	-	-
Capital outlay:							
Highways and streets	-	-	-	-	-	-	69,143
Total disbursements	1,454,211	75,018	319,287	5,593	2,113	-	69,143
Excess (deficiency) of receipts over (under) disbursements	254,471	13,907	281,226	1,088	115,811	-	6,667
Other financing sources (uses)							
Loan proceeds	300,000	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	300,000	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	554,471	13,907	281,226	1,088	115,811	-	6,667
Cash and investment fund balance - beginning	(63,558)	115,697	(179,981)	19,840	155,716	285,815	39,580
Cash and investment fund balance - ending	\$ 490,913	\$ 129,604	\$ 101,245	\$ 20,928	\$ 271,527	\$ 285,815	\$ 46,247
<u>Cash and Investment Assets - December 31</u>							
Restricted assets:							
Cash and investments	\$ 490,913	\$ 129,604	\$ 101,245	\$ 20,928	\$ 271,527	\$ 285,815	\$ 46,247
Total cash and investment assets - December 31	\$ 490,913	\$ 129,604	\$ 101,245	\$ 20,928	\$ 271,527	\$ 285,815	\$ 46,247
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Culture and recreation	\$ -	\$ -	\$ 101,245	\$ -	\$ -	\$ -	\$ -
Highways and streets	490,913	129,604	-	-	-	-	-
Economic development	-	-	-	-	-	-	46,247
Public safety	-	-	-	20,928	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	-	271,527	285,815	-
Total cash and investment fund balance - December 31	\$ 490,913	\$ 129,604	\$ 101,245	\$ 20,928	\$ 271,527	\$ 285,815	\$ 46,247

CITY OF VINCENNES
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Cumulative Capital Development	Cemetery	Memorial Park Earnings	Mausoleum	Mausoleum Earnings	Cemetery Perpetual Care	Fire Debt
Receipts:							
Taxes	\$ 152,199	\$ 141,412	\$ -	\$ -	\$ -	\$ -	\$ 294,536
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	17,458	17,081	-	-	-	-	35,419
Charges for services	-	164,579	-	28,075	-	-	-
Other	-	70	9,679	662	4,392	15,196	-
Total receipts	169,657	323,142	9,679	28,737	4,392	15,196	329,955
Disbursements:							
General government	488	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	206,622	5,085	5,982	2,684	-	-
Culture and recreation	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	155,256
Interest	-	-	-	-	-	-	17,964
Capital outlay:							
Highways and streets	-	-	-	-	-	-	-
Total disbursements	488	206,622	5,085	5,982	2,684	-	173,220
Excess (deficiency) of receipts over (under) disbursements	169,169	116,520	4,594	22,755	1,708	15,196	156,735
Other financing sources (uses)							
Loan proceeds	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Transfers in	-	-	-	-	25,000	-	-
Transfers out	-	-	-	(25,000)	-	-	-
Total other financing sources (uses)	-	-	-	(25,000)	25,000	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	169,169	116,520	4,594	(2,245)	26,708	15,196	156,735
Cash and investment fund balance - beginning	101,423	(48,676)	136,133	87,449	66,296	397,556	(143,464)
Cash and investment fund balance - ending	<u>\$ 270,592</u>	<u>\$ 67,844</u>	<u>\$ 140,727</u>	<u>\$ 85,204</u>	<u>\$ 93,004</u>	<u>\$ 412,752</u>	<u>\$ 13,271</u>
Cash and Investment Assets - December 31							
Restricted assets:							
Cash and investments	<u>\$ 270,592</u>	<u>\$ 67,844</u>	<u>\$ 140,727</u>	<u>\$ 85,204</u>	<u>\$ 93,004</u>	<u>\$ 412,752</u>	<u>\$ 13,271</u>
Total cash and investment assets - December 31	<u>\$ 270,592</u>	<u>\$ 67,844</u>	<u>\$ 140,727</u>	<u>\$ 85,204</u>	<u>\$ 93,004</u>	<u>\$ 412,752</u>	<u>\$ 13,271</u>
Cash and Investment Fund Balance - December 31							
Restricted for:							
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Economic development	270,592	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	67,844	140,727	85,204	93,004	412,752	-
Debt service	-	-	-	-	-	-	13,271
Other purposes	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 270,592</u>	<u>\$ 67,844</u>	<u>\$ 140,727</u>	<u>\$ 85,204</u>	<u>\$ 93,004</u>	<u>\$ 412,752</u>	<u>\$ 13,271</u>

CITY OF VINCENNES
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Capital Improvement Bond	Chicago Park IDNR-WR-0017	Arson Investigation	Recycle Fund	Police Training Center	FEMA Grant	Pet Port Donation
Receipts:							
Taxes	\$ 54,624	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	505	-	-	-
Intergovernmental	6,006	-	-	-	-	24,249	-
Charges for services	-	-	-	172,031	-	-	-
Other	-	-	54	1,738	-	-	28,770
Total receipts	60,630	-	54	174,274	-	24,249	28,770
Disbursements:							
General government	388	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	142,146	-	-	-
Health and welfare	-	-	-	-	-	976	21,230
Culture and recreation	-	2,900	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets	-	-	-	-	-	-	-
Total disbursements	388	2,900	-	142,146	-	976	21,230
Excess (deficiency) of receipts over (under) disbursements	60,242	(2,900)	54	32,128	-	23,273	7,540
Other financing sources (uses)							
Loan proceeds	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	60,242	(2,900)	54	32,128	-	23,273	7,540
Cash and investment fund balance - beginning	(58,700)	22,174	805	42,013	27	-	3,298
Cash and investment fund balance - ending	\$ 1,542	\$ 19,274	\$ 859	\$ 74,141	\$ 27	\$ 23,273	\$ 10,838
<u>Cash and Investment Assets - December 31</u>							
Restricted assets:							
Cash and investments	\$ 1,542	\$ 19,274	\$ 859	\$ 74,141	\$ 27	\$ 23,273	\$ 10,838
Total cash and investment assets - December 31	\$ 1,542	\$ 19,274	\$ 859	\$ 74,141	\$ 27	\$ 23,273	\$ 10,838
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Culture and recreation	\$ -	\$ 19,274	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	23,273	-
Economic development	-	-	-	-	-	-	-
Public safety	-	-	859	-	27	-	-
Sanitation	-	-	-	74,141	-	-	-
Health and welfare	-	-	-	-	-	-	10,838
Debt service	1,542	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 1,542	\$ 19,274	\$ 859	\$ 74,141	\$ 27	\$ 23,273	\$ 10,838

CITY OF VINCENNES
COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
OTHER GOVERNMENTAL FUNDS
For The Year Ended December 31, 2005
(Continued)

	SEMA Haz-Mat Fed. Fire	Revolving Loan	Revolving Loan Interest	Police Dept Donation	Police Drug Investigation	Alarm System	Body Armor Equipment Police
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	4,500
Charges for services	-	-	-	-	-	2,825	-
Other	-	-	12,476	14,215	4,230	-	-
Total receipts	-	-	12,476	14,215	4,230	2,825	4,500
Disbursements:							
General government	-	-	-	-	-	3,479	-
Public safety	41,700	-	4,910	7,198	17,271	-	4,500
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Urban redevelopment and housing	-	50,000	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets	-	-	-	-	-	-	-
Total disbursements	41,700	50,000	4,910	7,198	17,271	3,479	4,500
Excess (deficiency) of receipts over (under) disbursements	(41,700)	(50,000)	7,566	7,017	(13,041)	(654)	-
Other financing sources (uses)							
Loan proceeds	-	-	-	-	-	-	-
Interfund loans	-	9,432	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	9,432	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(41,700)	(40,568)	7,566	7,017	(13,041)	(654)	-
Cash and investment fund balance - beginning	41,700	100,467	32,727	2,111	25,921	7,865	-
Cash and investment fund balance - ending	\$ -	\$ 59,899	\$ 40,293	\$ 9,128	\$ 12,880	\$ 7,211	\$ -
<u>Cash and Investment Assets - December 31</u>							
Restricted assets:							
Cash and investments	\$ -	\$ 59,899	\$ 40,293	\$ 9,128	\$ 12,880	\$ 7,211	\$ -
Total cash and investment assets - December 31	\$ -	\$ 59,899	\$ 40,293	\$ 9,128	\$ 12,880	\$ 7,211	\$ -
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Economic development	-	59,899	-	-	-	-	-
Public safety	-	-	-	9,128	12,880	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service	-	-	40,293	-	-	-	-
Other purposes	-	-	-	-	-	7,211	-
Total cash and investment fund balance - December 31	\$ -	\$ 59,899	\$ 40,293	\$ 9,128	\$ 12,880	\$ 7,211	\$ -

CITY OF VINCENNES
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Weed Ordinance	YES Program	DARE	Nonreverting Donation	Debt Service Redevelopment Bond	Breath Test Police
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	3,809
Charges for services	13,109	-	-	-	-	-
Other	-	855	6,250	7,072	-	-
Total receipts	13,109	855	6,250	7,072	-	3,809
Disbursements:						
General government	-	-	-	3,123	-	-
Public safety	-	-	6,133	-	-	3,809
Highways and streets	-	-	-	-	-	-
Sanitation	3,369	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	465	-	-	-	-
Economic development	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
Total disbursements	3,369	465	6,133	3,123	-	3,809
Excess (deficiency) of receipts over (under) disbursements	9,740	390	117	3,949	-	-
Other financing sources (uses)						
Loan proceeds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	9,740	390	117	3,949	-	-
Cash and investment fund balance - beginning	9,704	285	10,234	1,257	288,494	-
Cash and investment fund balance - ending	\$ 19,444	\$ 675	\$ 10,351	\$ 5,206	\$ 288,494	\$ -
<u>Cash and Investment Assets - December 31</u>						
Restricted assets:						
Cash and investments	\$ 19,444	\$ 675	\$ 10,351	\$ 5,206	\$ 288,494	\$ -
Total cash and investment assets - December 31	\$ 19,444	\$ 675	\$ 10,351	\$ 5,206	\$ 288,494	\$ -
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	19,444	-	-	-	-	-
Debt service	-	-	-	-	288,494	-
Other purposes	-	675	10,351	5,206	-	-
Total cash and investment fund balance - December 31	\$ 19,444	\$ 675	\$ 10,351	\$ 5,206	\$ 288,494	\$ -

CITY OF VINCENNES
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Neighborhood Facilities	Donation	Forfeiture and Seizure	Rental Housing	K-9 Donation	Cemetery Road Repairs and Improvements
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	87,478	-	-	-
Charges for services	96,550	-	-	288	-	-
Other	117	9,986	-	27	810	8,700
Total receipts	96,667	9,986	87,478	315	810	8,700
Disbursements:						
General government	102,881	9,886	-	741	-	-
Public safety	-	-	48,091	-	6,602	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
Total disbursements	102,881	9,886	48,091	741	6,602	-
Excess (deficiency) of receipts over (under) disbursements	(6,214)	100	39,387	(426)	(5,792)	8,700
Other financing sources (uses)						
Loan proceeds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(6,214)	100	39,387	(426)	(5,792)	8,700
Cash and investment fund balance - beginning	90,532	1,900	57,943	22,758	6,433	30,600
Cash and investment fund balance - ending	<u>\$ 84,318</u>	<u>\$ 2,000</u>	<u>\$ 97,330</u>	<u>\$ 22,332</u>	<u>\$ 641</u>	<u>\$ 39,300</u>
Cash and Investment Assets - December 31						
Restricted assets:						
Cash and investments	<u>\$ 84,318</u>	<u>\$ 2,000</u>	<u>\$ 97,330</u>	<u>\$ 22,332</u>	<u>\$ 641</u>	<u>\$ 39,300</u>
Total cash and investment assets - December 31	<u>\$ 84,318</u>	<u>\$ 2,000</u>	<u>\$ 97,330</u>	<u>\$ 22,332</u>	<u>\$ 641</u>	<u>\$ 39,300</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Public safety	-	-	-	-	641	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	39,300
Debt service	-	-	-	-	-	-
Other purposes	84,318	2,000	97,330	22,332	-	-
Total cash and investment fund balance - December 31	<u>\$ 84,318</u>	<u>\$ 2,000</u>	<u>\$ 97,330</u>	<u>\$ 22,332</u>	<u>\$ 641</u>	<u>\$ 39,300</u>

CITY OF VINCENNES
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Donations Promotion of City	Health and Safety Equipment	Nonreverting Police	Urban Enterprise Zone	Arson/ Inspection Training Fund	City Council Donation
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	62,460	-
Charges for services	-	-	-	-	-	-
Other	-	-	-	39,148	-	1,250
Total receipts	-	-	-	39,148	62,460	1,250
Disbursements:						
General government	-	-	-	-	-	250
Public safety	-	-	2,162	-	58,510	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	1,000	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Economic development	-	-	-	38,588	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
Total disbursements	-	1,000	2,162	38,588	58,510	250
Excess (deficiency) of receipts over (under) disbursements	-	(1,000)	(2,162)	560	3,950	1,000
Other financing sources (uses)						
Loan proceeds	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	-	(1,000)	(2,162)	560	3,950	1,000
Cash and investment fund balance - beginning	103,905	1,000	2,867	-	-	-
Cash and investment fund balance - ending	<u>\$ 103,905</u>	<u>\$ -</u>	<u>\$ 705</u>	<u>\$ 560</u>	<u>\$ 3,950</u>	<u>\$ 1,000</u>
<u>Cash and Investment Assets - December 31</u>						
Restricted assets:						
Cash and investments	<u>\$ 103,905</u>	<u>\$ -</u>	<u>\$ 705</u>	<u>\$ 560</u>	<u>\$ 3,950</u>	<u>\$ 1,000</u>
Total cash and investment assets - December 31	<u>\$ 103,905</u>	<u>\$ -</u>	<u>\$ 705</u>	<u>\$ 560</u>	<u>\$ 3,950</u>	<u>\$ 1,000</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	560	-	-
Public safety	-	-	705	-	3,950	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	103,905	-	-	-	-	1,000
Total cash and investment fund balance - December 31	<u>\$ 103,905</u>	<u>\$ -</u>	<u>\$ 705</u>	<u>\$ 560</u>	<u>\$ 3,950</u>	<u>\$ 1,000</u>

CITY OF VINCENNES
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Stormwater Drainage Grant	Solid Waste Grant Recycle	Park and Recreation Nonreverting	CAGIT	Tabacco Cessation Fire	Totals
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,159,751
Licenses and permits	-	-	-	-	-	2,275
Intergovernmental	18,000	10,000	-	-	-	1,304,810
Charges for services	-	-	40,259	-	-	564,265
Other	-	-	-	-	-	180,583
Total receipts	18,000	10,000	40,259	-	-	4,211,684
Disbursements:						
General government	-	-	-	-	-	123,349
Public safety	-	-	-	-	-	206,479
Highways and streets	-	-	-	-	-	1,427,952
Sanitation	-	-	-	-	-	145,515
Health and welfare	-	-	-	-	-	243,579
Culture and recreation	-	-	37,911	-	-	351,780
Economic development	18,000	-	-	-	-	56,588
Urban redevelopment and housing	-	-	-	-	-	50,000
Debt service:						
Principal	-	-	-	-	-	252,481
Interest	-	-	-	-	-	30,799
Capital outlay:						
Highways and streets	-	-	-	-	-	69,143
Total disbursements	18,000	-	37,911	-	-	2,957,665
Excess (deficiency) of receipts over (under) disbursements	-	10,000	2,348	-	-	1,254,019
Other financing sources (uses)						
Loan proceeds	-	-	-	-	-	300,000
Interfund loans	-	-	-	-	-	9,432
Transfers in	-	-	-	-	-	25,000
Transfers out	-	-	-	-	-	(25,000)
Total other financing sources (uses)	-	-	-	-	-	309,432
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	-	10,000	2,348	-	-	1,563,451
Cash and investment fund balance - beginning	-	-	42,835	119,837	169	1,980,987
Cash and investment fund balance - ending	\$ -	\$ 10,000	\$ 45,183	\$ 119,837	\$ 169	\$ 3,544,438
<u>Cash and Investment Assets - December 31</u>						
Restricted assets:						
Cash and investments	\$ -	\$ 10,000	\$ 45,183	\$ 119,837	\$ 169	\$ 3,544,438
Total cash and investment assets - December 31	\$ -	\$ 10,000	\$ 45,183	\$ 119,837	\$ 169	\$ 3,544,438
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Culture and recreation	\$ -	\$ -	\$ 45,183	\$ -	\$ -	\$ 165,702
Highways and streets	-	-	-	-	-	643,790
Economic development	-	-	-	-	-	377,298
Public safety	-	-	-	-	169	49,287
Sanitation	-	10,000	-	-	-	84,141
Health and welfare	-	-	-	-	-	869,113
Debt service	-	-	-	-	-	343,600
Other purposes	-	-	-	119,837	-	1,011,507
Total cash and investment fund balance - December 31	\$ -	\$ 10,000	\$ 45,183	\$ 119,837	\$ 169	\$ 3,544,438

CITY OF VINCENNES
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For The Year Ended December 31, 2005

	Police Pension	Fire Pension	Total
Additions:			
Contributions:			
Taxes	\$ 332,420	\$ 465,898	\$ 798,318
Plan members	3,693	14,240	17,933
State	<u>183,486</u>	<u>248,929</u>	<u>432,415</u>
Total contributions	<u>519,599</u>	<u>729,067</u>	<u>1,248,666</u>
Deductions:			
Benefits	317,892	493,360	811,252
Refunds of contributions	573	-	573
Administrative and general	<u>2,084</u>	<u>4,035</u>	<u>6,119</u>
Total deductions	<u>320,549</u>	<u>497,395</u>	<u>817,944</u>
Excess of total additions over total deductions	199,050	231,672	430,722
Cash and investment fund balance - beginning	<u>187,790</u>	<u>340,226</u>	<u>528,016</u>
Cash and investment fund balance - ending	<u><u>\$ 386,840</u></u>	<u><u>\$ 571,898</u></u>	<u><u>\$ 958,738</u></u>

CITY OF VINCENNES
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For The Year Ended December 31, 2005

	Cemetery Donation	Perpetual Care J. Cannon	Sutherland Estate	Police Drug Buy Money	George Mischler Estate	Total
Additions:						
Interest	\$ -	\$ 587	\$ 116	\$ -	\$ 5	\$ 708
Deductions:						
Administrative and general	-	904	117	2,397	-	3,418
Excess (deficiency) of total additions over (under) total deductions	-	(317)	(1)	(2,397)	5	(2,710)
Cash and investment fund balance - beginning	107	45,162	6,649	3,947	609	56,474
Cash and investment fund balance - ending	<u>\$ 107</u>	<u>\$ 44,845</u>	<u>\$ 6,648</u>	<u>\$ 1,550</u>	<u>\$ 614</u>	<u>\$ 53,764</u>

CITY OF VINCENNES
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2005

	<u>Payroll</u>	<u>1977 Police Pension</u>	<u>1977 Fire Pension</u>	<u>PERF</u>	<u>US Savings Bonds</u>	<u>Voluntary PERF</u>	<u>Total</u>
Additions:							
Agency fund additions	<u>\$ 5,214,841</u>	<u>\$ 62,422</u>	<u>\$ 58,405</u>	<u>\$ 46,742</u>	<u>\$ 1,500</u>	<u>\$ 17,367</u>	<u>\$ 5,401,277</u>
Deductions:							
Agency fund deductions	<u>5,214,841</u>	<u>62,422</u>	<u>58,405</u>	<u>46,742</u>	<u>1,450</u>	<u>17,367</u>	<u>5,401,227</u>
Excess of total additions over total deductions	-	-	-	-	50	-	50
Cash and investment fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>125</u>	<u>-</u>	<u>125</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 175</u>	<u>\$ -</u>	<u>\$ 175</u>

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Beverly S. Marsh
Clerk-Treasurer
City of Vincennes

CITY OF VINCENNES
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2005

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

General infrastructure assets completed in the current year has been reported. Retroactive reporting of general infrastructure assets will occur by January 1, 2007.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 524,110
Infrastructure	6,093,172
Buildings	477,526
Improvements other than buildings	5,862,518
Machinery and equipment	5,755,498
Total governmental activities, capital assets not being depreciated	<u>\$ 18,712,824</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Water utility:				
Capital assets, not being depreciated:				
Land	259,093	-	-	259,093
Construction in progress	5,730,219	31,126	-	5,761,345
Capital assets, being depreciated:				
Buildings	2,575,919	205,098	-	2,781,017
Improvements other than buildings	15,633,363	427,658	-	16,061,021
Machinery and equipment	894,727	227,623	28,839	1,093,511
Transportation equipment	141,783	138,398	49,049	231,132
Less accumulated depreciation for:				
Buildings	(1,216,713)	(56,259)	-	(1,272,972)
Improvements other than buildings	(4,377,322)	(374,458)	(16,021)	(4,735,759)
Machinery and equipment	(588,348)	(34,022)	(16,568)	(605,802)
Transportation equipment	(99,831)	(15,121)	(45,299)	(69,653)
Total water utility capital assets, net	<u>18,952,890</u>	<u>550,043</u>	<u>-</u>	<u>19,502,933</u>
Wastewater utility:				
Capital assets, not being depreciated:				
Land	95,000	-	-	95,000
Construction in progress	28,572,455	909,457	-	29,481,912
Capital assets, being depreciated:				
Buildings	7,934,710	43,657	-	7,978,367
Improvements other than buildings	8,724,801	798,265	-	9,523,066
Machinery and equipment	1,144,918	257,225	151,664	1,250,479
Transportation equipment	158,330	185,345	17,600	328,075
Less accumulated depreciation for:				
Buildings	(2,766,148)	(178,847)	-	(2,944,995)
Improvements other than buildings	(3,412,507)	(170,542)	-	(3,583,049)
Machinery and equipment	(529,094)	(54,195)	(151,664)	(431,625)
Transportation equipment	(144,614)	(20,944)	(17,600)	(147,958)
Total wastewater utility capital assets, net	<u>39,777,851</u>	<u>1,769,421</u>	<u>-</u>	<u>41,547,272</u>
Total business-type activity capital assets, net	<u>- 35 - 58,730,741</u>	<u>2,319,464</u>	<u>-</u>	<u>61,050,205</u>

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CITY OF VINCENNES
SUPPLEMENTARY INFORMATION
SCHEDULE OF DEBT

For The Year Ended December 31, 2005

CAPITAL LEASES

The City has entered into the following capital leases:

Description of Asset	Present Value of Net Minimum Lease Payments	Due Within One Year
Street sweeper	\$ 47,989	\$ 24,045
Street equipment	70,431	70,431
City inspector truck	8,653	2,773
Park dump truck	8,325	8,325

	Ending Balance	Due Within One Year
Governmental Activities:		
Bonds payable:		
General obligation bonds:		
Fire equipment	\$ 163,993	\$ 163,993
Total governmental activities long-term debt	\$ 299,391	\$ 269,567

Business-type Activities:		
Water Utility		
Revenue bonds:		
2003 waterworks refunding revenue bonds	\$ 1,275,000	\$ 630,000
Loan payable - state revolving loan fund	4,151,546	172,158
Total Water Utility	5,426,546	802,158
Wastewater Utility		
Revenue bonds:		
1998 sewageworks revenue refunding bonds:	2,655,000	130,000
Loan payable - state revolving loan fund	26,538,533	-
Total Wastewater Utility	29,193,533	130,000
Total business-type activities:	\$ 34,620,079	\$ 932,158

CITY OF VINCENNES
OTHER REPORTS

The annual report presented herein was prepared in addition to other official reports prepared for the individual City offices listed below:

Water and Wastewater Utilities

CITY OF VINCENNES
AUDIT RESULT AND COMMENT

MISSING RECYCLING FUNDS

The Vincennes Police Department conducted an investigation on the City of Vincennes Street Superintendent concerning missing recycling funds. Street Department employees, in City owned vehicles, delivered aluminum cans and steel items to a local recycling center. Upon delivery, they received a check that was payable to the respective Street Department employee. The employee cashed the check and gave the money to the Street Superintendent. This cash was never deposited into the City's bank account. The Street Superintendent submitted his resignation as of March 31, 2003. On April 8, 2003, the Vincennes Police Department filed charges at the Knox County Prosecuting Attorney's office on the counts of official misconduct and theft. The Knox County Prosecutor will request restitution in the amount of \$8,398.78 to be paid by the former Street Superintendent.

On February 24, 2004, a plea agreement was entered into for conversion with probation of 365 days and restitution to be made to the City. Beginning on October 21, 2005, restitution payments were being received by the City. As of July 14, 2006, the City had received \$2,200 in restitution from the Knox County Clerk's office. As of July 14, 2006, the remaining balance owed to the City was \$6,198.78

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or nonfeasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Indiana Code 5-13-6-1 (d) states in part: "A city or town shall deposit funds not later than the next business day following the receipt of the funds in depositories selected by the city or town as provided in an ordinance adopted by the city or town and approved as depositories of state funds."

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CITY OF VINCENNES
EXIT CONFERENCE

The contents of this report were discussed on August 7, 2006, with Beverly S. Marsh, Clerk-Treasurer; Mark R. Hill, President of Common Council; and Donald Kirk, City Council Member. The officials concurred with our audit finding.